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GOVERNMENT OF ODISHA

DEPARTMENT OF HEALTH & FAMILY WELFARE

RESOLUTION

The 26th June 2013

SUBJECT—Setting up of the “Odisha State Medical Corporation” for implementation of “Free Medicine Distribution Scheme”.

1. Background

The Government of Odisha has decided to launch a new Scheme in the name of “Free Medicine Distribution Scheme” to provide quality essential medicines for all kinds of diseases to patients coming to Government health facilities at free of cost. It has also been decided to set up an independent procurement entity in form of a Government company in the name of “Odisha State Medical Corporation” and establish 1102 computerised Drug Distribution Counters at health facilities up to Community Health Centers (CHCs) for implementation of the Scheme.

2. Overall Objects of the Scheme

The primary objectives of “Free Medicine Distribution Scheme” is to provide essential medicines to all visiting to Government health facilities for timely and appropriate health care with an objective to improve overall health status of the State including :—

- (a) Improved accessibility to essential medicines and health care
- (b) Reduction of financial burden (out of pocket expenditure) due to care and treatment
- (c) Reduction in morbidity and mortality, controlling both communicable and non-communicable diseases.

3. Functions of “Odisha State Medical Corporation”

The key functions of the proposed Corporation shall include :

- (a) Timely procurement of quality medicines, surgical and EIF (Equipment Instrument and Furniture) centrally adhering to a fair, transparent, competitive tendering process.
- (b) Manage central drug warehouses to ensure smooth flow of supply to health facilities through a Centralized Online Inventory Management System.

- (c) Monitor Drug Distribution Counter to be set up across health facilities centrally and track prescription practices and disease pattern.
- (d) Procurement and maintenance of medical equipment across health facilities.

4. Board of Directors the Odisha State Medical Corporation

The overall management of the corporation shall be bestowed upon the Board of Directors consisting of following members :—

(a)	Secretary, Health & F. W. Department	..	Chairman
(b)	Special Secretary, Finance	..	Director
(c)	Managing Director, OMSC	..	Director
(d)	Mission Director, NRHM	..	Director
(e)	F.A. to Government, H. & F. W. Department	..	Director
(f)	Director of Health Services, Odisha	..	Director
(g)	Director of Medical Education & Training	..	Director
(h)	Director of Family Welfare	..	Director
(i)	Director of Public Health	..	Director
(j)	Project Director, OSACS	..	Director
(k)	Director, AYUSH	..	Director
(l)	Drugs Controller, Odisha	..	Director

5. Management of the Corporation

Managing Director of the Corporation shall be a young and dynamic IAS Officer on deputation from the State Government. She/he shall be responsible for the day-to-day function of the Corporation. The Company Secretary and the Legal Adviser shall be responsible to manage the corporate and legal affairs of the Corporation respectively. There shall be three General Managers for Procurement, Equipment and Logistics & Supply Chain respectively. In addition, there shall be another tier of managers for Quality Assurance, Finance & Accounts, HR & Administration and IT (Computer Cell) respectively.

The key positions in the area, which requires specialized skill and expertise e.g. biomedical engineering, logistics and supply chain, information technology, procurement and quality assurance shall be recruited from open market.

Whereas the junior level management staff shall be recreated from open market, the support staff shall be either taken on contractual basis or outsourced.

The Service Rule, Financial Procedure and Guidelines, Operational Guidelines and Protocols shall be developed and adopted by the Board of Directors on its incorporation.

6. Capital Structure of the Company

The Corporation shall be incorporated with an authorized equity share capital of Rs. 20.00 Crore (Twenty Crore) out of which Rs. 10.00 Crore shall be the initial paid up equity share capital.

The initial paid up equity share capital of the Corporation will be met out of the State Budget. Whereas the infrastructure cost for setting up of Drug Distribution Counters of Rs. 11.00 Crore will be from OHSP budget.

7. Sustainability

The Corporation shall be paid service charges of 5% on the procurement value by the Department to meet their recurring expenditure. In addition to 5% of Service Charges it shall have also following sources of revenue :

- (a) Handling and testing charges of 1.5% of the value of goods supplied from the Supplier
- (b) Bank Interest on surplus fund
- (c) Liquidated Damages collected from the Supplier
- (d) Tender Document Cost collected from the tenderer.

8. Location

The registered office of the Company will be situated in the State of Odisha.

9. Creation of Post and Engagement of Personnel

The creation of post both for Corporation and DDCs will be made with prior concurrences of the Finance Department. The recruitment of the staff of the Corporation will be made in accordance with the guidelines to be framed by the Board of Directors with the approval of the Government in H. & F. W. Department.

10. Concurrence & Approval

Constitution of Odisha State Medical Corporation has been concurred in by the Planning & Co-ordination Department in UOR No. 06/PL1, dated the 10th January 2013, Finance Department in UOR No. 10 SS-III, dated the 7th January 2013 and Public Enterprise Department in their File No. Cor-I-22/2013 communicated on 23-2-2013. Expenditure Finance Committee and Hon'ble Chief Minister have approved setting up of Odisha State Medical Corporation and establishment of 1102 Drug Distribution Counter in respect of health facilities up to CHC level to implement Free Medicine Distribution Scheme vide their UOR, No. 970 SS-III, dated the 2nd May 2013 and No. 2706/CM, dated the 25th May 2013.

This Order will take effect from the date of issue.

ORDER—Ordered that the Resolution be published in an extraordinary issue of the *Odisha Gazette*.

By order of the Governor
P. K. MOHAPATRA
Principal Secretary to Government